

Message Text

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53

ACTION ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

ARAE-00 /091 W

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P 281655Z JAN 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 8574

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EO 11652: NA

TAGS: EINV, ENRG, EGEN, PFOR, PE

SUBJ: OCCIDENTAL PACKAGE APPROVED BY GOP

REF: LIMA 0811, 75 LIMA 10691

1. GOP COUNCIL OF MINISTERS PROMULGATED TWO SUPREME DECREES ON JANUARY 27. THE FIRST SUPREME DECREE, NO 003-76-EM/ES, GIVES GOVERNMENT APPROVAL TO THE BASIC OCCIDENTAL CONTRACT (FOR PETROPERU TO BUILD THE SPUR-LINE AND TO ESTABLISH A THRU-PUT AGREEMENT WITH A FIXED ANNUAL TARIFF FOR OXY CRUDE). THE SECOND SUPREME DECREE, NO 004-76-EM/ES, APPROVES CONSTRUCTION OF A TOPPING PLANT AND AUTHORIZES PETROPERU TO SIGN A TOPPING PLANT CONTRACT WITH OCCIDENTAL. BOTH SUPREME DECREES WERE SIGNED BY PRESIDENT MORALES BERMUDEZ, FINANCE MINISTER LUIS BARUA CASTANEDA, AND MINES MINISTER LUIS LA VERA VELARDE.

2. PREAMBULAR PARAGRAPHS OF FIRST DECREE NOTE THAT IT IS NECESSARY FOR OCCIDENTAL'S PETROLEUM TO ARRIVE AT THE COAST IN ORDER THAT PERU OVERCOME ITS PETROLEUM
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DEFICIT AND POTENTIALLY TO PERMIT PERU TO BECOME A

NET PETROLEUM EXPORTER. BECAUSE OF THIS REASON, IT IS APPROPRIATE THAT PETROPERU BUILD THE NORTHERN SPUR-LINE TO OCCIDENTAL'S FIELDS AND THAT, FURTHER, OCCIDENTAL WILL PAY PETROPERU FOR THE USE OF THE PIPELINE SYSTEM FROM THE FIELDS TO THE COASTAL PORT OF BAYOVAR AND THAT SUCH PAYMENT WILL BE EXPRESSED IN FOREIGN CURRENCY.

3. COMMENT. OCCIDENTAL OFFICER EXPRESSED SATISFACTION TO US THAT GOP HAS FINALLY APPROVED OCCIDENTAL PACKAGE. DAVID MARTIN, PRESIDENT OF OCCIDENTAL PERU BRANCH, WILL SIGN THE THRU-PUT AND TOPPING PLANT AGREEMENTS WITH PETROPERU ON FRIDAY, JANUARY 30.
DEAN

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 28 JAN 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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To: STATE
Type: TE
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